
2006 ANNUAL REPORT

Professional Telephone Soliciting for Charity, Police and Firefighter Groups

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Connecticut Groups Received \$3.54 Million of \$10.8 Million Raised in Their Name by Paid Telephone Solicitors

This report highlights Connecticut's 20th annual telephone solicitation survey.

The State's Public Charities Unit, operated jointly by the offices of Attorney General Richard Blumenthal and Consumer Protection Commissioner Jerry Farrell, Jr., compiled the report, which shows that 113 Connecticut organizations hired commercial telemarketing companies to conduct 121 telephone solicitation campaigns during 2006.

Telephone solicitors hired by Connecticut civic, charitable and public safety organizations raised \$10.8 million in 2006. This total is slightly lower than last year.

Paid solicitors turned over 32.79 percent – \$3.54 million – to the charitable groups that hired them, also down from last year's 34.45 percent.

The percentage of donations passed on to charitable and public safety organizations had been rising steadily since the State's first annual survey in 1987 until 2004's disappointing 3 percent drop. Although the percentage increased in 2005, this year's percentage dropped back to the 2004 level.

A review of the Connecticut campaigns reveals that public safety organizations (police, fire and emergency services) conducted 92 of the 121 campaigns (76 percent) during 2006. Overall the groups received a slightly lower percentage of the funds raised, 32.35 percent.

In addition to the 121 campaigns that were conducted in Connecticut only, the survey also includes data on 224 charitable organizations – most out of state – that solicited by telephone in Connecticut as part of multi-state fundraising campaigns. Three hundred and twenty-two of these campaigns were conducted in Connecticut. These groups are not required to provide a breakdown of donations by State and therefore figures in this report are national totals.

The report contains two tables based on data taken from financial reports filed by the charitable organizations. The tables report the annual spending of any organization that reported using a paid solicitor, broken down by program activities, management and general activities, fundraising activities and transfers to affiliated organizations. The information contained in these two tables was first included in last year's report and provides a clearer and more complete picture of the organization's overall performance.

In addition, this year's report contains one additional table listing any organization that used a paid solicitor in Connecticut and reported spending more than fifty percent of its total expenses on fundraising. There are fifty such organizations in the report.

The report is based on data

2006 Summary

➤ **\$10,798,722 contributed through paid solicitors to Connecticut groups.**

➤ **32.79 percent of money contributed to Connecticut groups reached the intended beneficiaries.**

➤ **Of the 121 campaigns run by Connecticut groups, 92 were conducted by public safety related organizations such as police and firefighter groups.**

➤ **Additional financial information for organizations appearing in this year's report is included.**

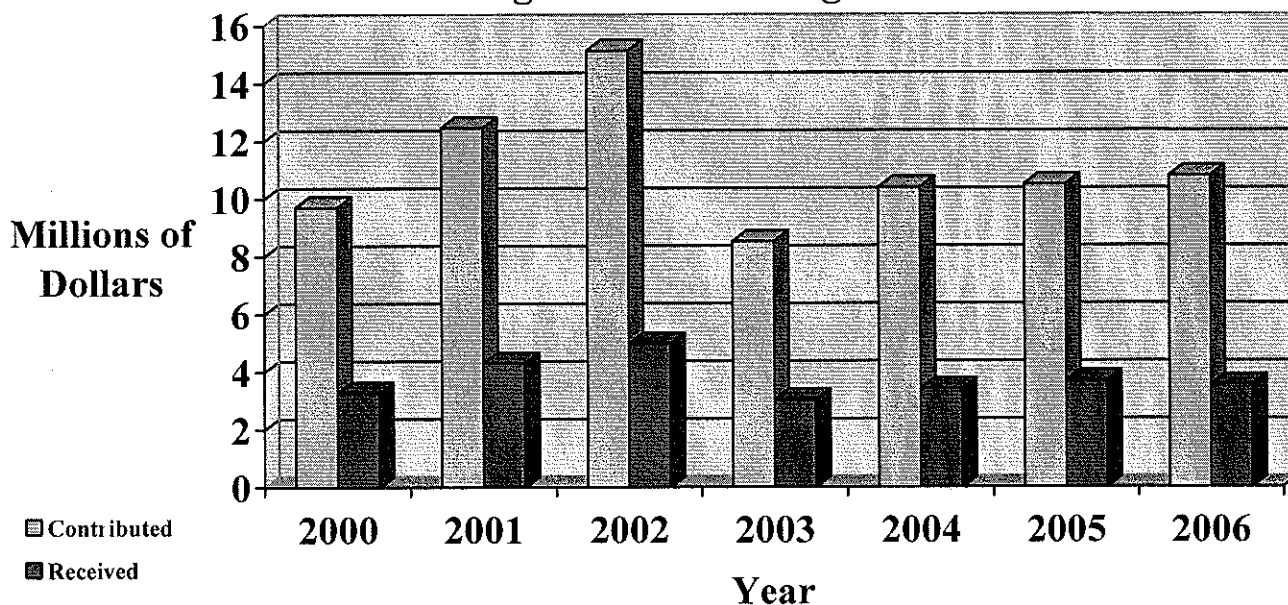
from financial reports that paid soliciting firms must file with the Public Charities Unit at the close of each fundraising campaign. The reports disclose the amount contributed, fees and other costs and the total received by the charitable, civic or public safety organization.

These organizations must certify the accuracy of these financial reports.

As displayed in the graph below, annual, inflation-adjusted totals raised by Connecticut organizations through paid solicitors have ranged in recent years from \$8 million in 2003 to \$15 million in

2002. The survey does not factor the value of increased name recognition, public awareness or other non-cash benefits that an organization may receive from a paid solicitation campaign.

Amounts Contributed And Received By Connecticut Organizations Using Paid Solicitors



Below are tips to help the public avoid unscrupulous telephone solicitors, developed by the Better Business Bureau's Wise Giving Alliance – a merger of the National Charities Information Bureau and the Council of Better Business Bureaus' Foundation and its Philanthropic Advisory Service

1. DO NOT succumb to pressure to make an immediate gift. A legitimate charity that wants your donation will welcome it just as much tomorrow or next week.
2. REPORT harassing calls to your state's attorney general's office and to the Better Business Bureau in your area.
3. DO NOT give your credit card number, bank account number, or

other personal financial information to unknown solicitors. If you want to contribute, mail a check to the organization's address after checking out the charity.

4. DO NOT hesitate to seek out additional facts. If you receive a telephone appeal from an unfamiliar charity, ask the solicitor to mail you information on the charity's programs, finances, and/or a copy of their latest financial statements.
5. ASK HOW MUCH THE CHARITY SPENT ON FUND RAISING IN THE PAST YEAR as a portion of total contributions received. The Alliance recognizes that the cost of an individual fund raising campaign using the telephone may exceed donor

expectations for the use of funds. On an annual basis, however, the voluntary Alliance charity standards recommend that total fund raising costs should not exceed 35% of total related contributions.

6. WATCH OUT FOR NAME SIMILARITY. In view of the volume of charities (more than 850,000 organizations have received charitable tax exempt status from the IRS), there are many organizations raising money for the same cause. Unfortunately, some names are used to confuse potential donors and sound similar to well-known organizations.
7. IF A POLICE OR FIREFIGHTER ORGANIZATION is using the telephone to solicit funds, ask what type of organization is soliciting (e.g.,

charity, fraternal group or union), if any local police officers or firefighters are involved, and what specific program(s) will the donation support? For additional advice on police and firefighter organizations, go to www.give.org/tips/policefire.asp

CHECK OUT THE CHARITY with the BBB Wise Giving Alliance (www.give.org) to find out if a national charity meets the 20 voluntary Alliance charity standards, with the local Better Business Bureau (www.bbb.org), if the inquiry is about a Connecticut charity, and with your state's charity registration

office (usually a division of the state attorney general's office). In Connecticut contact www.ctgov/ag/site/default.asp or www.ctgov/dcp/site/default.asp

Charity Information Resource Guide

There is additional information available to help you be a discerning donor:

There are more than 8,500 organizations on file with the Public Charities Unit able to solicit funds in Connecticut. They include charitable, civic, police and firefighter groups. About 4,100 of these organizations are required to file financial reports annually. Religious organizations, hospitals, educational institutions, government-affiliated organizations and organizations that normally raise less than \$50,000 per year are not required to file financial reports. The report contains information on income and expenses and a brief description of the organization's programs. The Public Charities Unit prepares a summary of each financial report. To obtain a

summary of the financial report or a copy of a complete financial report for a particular organization, write or call:

Public Charities Unit
c/o Office of the Attorney General
55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120
(860) 808-5030

or you may contact us at our web sites:

www.ctgov/ag/site/default.asp
www.ctgov/dcp/site/default.asp

There are two private watchdog organizations that evaluate the performance of larger, national charities. To obtain further information, contact:

BBB Wise Giving Alliance
4200 Wilson Boulevard
Arlington, VA 22203
(703) 276-0100
www.give.org

American Institute of Philanthropy
3450 Lake Shore Drive
P.O. Box 578460
Chicago, IL 60657
(773) 529-2300
www.charitywatch.org

In addition, the **Philanthropic Research Institute** has a searchable database of over 850,000 charities and other nonprofit organizations. You can access the images of financial reports the organizations file with the Internal Revenue Service. Its Web address is:

www.guidestar.org

Guide to Survey Tables

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